

## SHD Paraphrased Regulations - Food Stamps

### 280 Budgeting

#### 280-1 REVISED 8/04

The household's (under MR/RB) and change reporting and QR/PB household's (under QR/PB) monthly allotment shall be determined from the Coupon Allotment Tables (Handbook §63-1101) on the basis of the household's size and net income. For a household of \_\_\_\_ persons with net income of \$\_\_\_\_, the monthly allotment is \$\_\_\_\_. (§63-503.324)

#### 280-2

A household's benefit level for the initial month of certification or the first month for which the household is certified for FS participation "following any period during which the household was not certified for participation" will be based on the date of application. (§63-503.13) Handbook §63-1101.4 sets forth the tables for computing this proration. For a household applying on the \_\_\_\_ of a \_\_\_\_-day month with a full month entitlement of \$\_\_\_\_, the prorated amount is \$\_\_\_\_. After determining the prorated allotment, the county shall round the product down to the nearer lower whole dollar. If the computation results in an allotment of less than \$10, then no issuance shall be made. (§63-503.132)

#### 280-3B

The following regulations set forth the state requirements when the household's recertification is delayed, and the household is not at fault.

- "(1) If a household's application for recertification is delayed beyond the first of the month of what would have been its new certification period through the fault of the CWD, the household's benefits for the new certification period shall be prorated based on the date of the new application, and the CWD shall provide restored benefits to the household back to the date the household's certification period should have begun had the CWD not erred and the household been able to apply timely.
- "(2) When a household's eligibility is not determined by the end of its current certification period due to the time period allowed for submitting any missing verification, the household shall receive an opportunity to participate, if eligible, within five working days after the household submits the missing verification and benefits shall not be prorated.

#### HANDBOOK BEGINS HERE

"Example: A household completed the interview and application process before the end of its current certification period in April. However, verification still must be provided within 10 days of the completed application process. The 10-day period for submitting verification extends into the month following the current certification period, or on May 5th. The household submits the verification on May 4th within the allowable 10-day period. The CWD must provide a full month of benefits for May and by the 9th day in May due to the five-day limit for providing an opportunity for the household to participate in the program.

#### HANDBOOK ENDS HERE"

(§63-504.61(e) effective June 1, 2001)

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#### 280-3C

The following federal regulation sets forth the federal requirements when there is a delay in processing at the end of a certification period:

"(e) Delayed processing.

- "(1) If an eligible household files an application before the end of the certification period but the recertification process cannot be completed within 30 days after the date of application because of State agency fault, the State agency must continue to process the case and provide a full month's allotment for the first month of the new certification period. The State agency shall determine cause for any delay in processing a recertification application in accordance with the provisions of §273.3(h)(1).
- "(2) If a household files an application before the end of the certification period, but fails to take a required action, the State agency may deny the case at that time, at the end of the certification period, or at the end of 30 days. Notwithstanding the State's right to issue a denial prior to the end of the certification period, the household has 30 days after the end of the certification period to complete the process and have its application be treated as an application for recertification. If the household takes the required action before the end of the certification period, the State agency must reopen the case and provide a full month's benefits for the initial month of the new certification period. If the household takes the required action after the end of the certification period but within 30 days after the end of the certification period, the State agency shall reopen the case and provide benefits retroactive to the date the household takes the required action. The State agency shall determine cause for any delay in processing a recertification application in accordance with the provisions of §273.3(h)(1).
- "(3) If a household files an application within 30 days after the end of the certification period, the application shall be considered an application for recertification; however, benefits must be prorated in accordance with §273.10(a). If a household's application for recertification is delayed beyond the first of the month of what would have been its new certification period through the fault of the State agency, the household's benefits for the new certification period shall be prorated based on the date of the new application, and the State agency shall provide restored benefits to the household back to the date the household's certification period should have begun had the State agency not erred and the household been able to apply timely."

(7 Code of Federal Regulations (CFR) §273.14(e), effective January 20, 2001, and to be implemented no later than June 1, 2001)

#### 280-4 REVISED 8/04

In determining the household's level of benefits for the issuance month, the county shall count as income only that amount actually received by the household in the budget

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month, except as provided below. (§63-503.232(c) prior to the implementation of QR/PB in the county) An exception to the general rule is that the county shall budget stable earned and unearned income which is received on a regular basis as a single monthly payment for the month such income is intended to cover. Households receiving such income shall not have their monthly income varied merely because mailing or payment cycles may cause two payments to be received in one month and none in the next month. (Subsection (c)(2) prior to the implementation of QR/PB in the county)

#### 280-5 ADDED 8/04

Generally, benefits are frozen for the three months of the quarter. Circumstances under which benefits may be adjusted during the quarter are:

When a voluntary recipient mid-quarter report results in increased benefits;

When a mandatory recipient mid-quarter report results in a decrease or discontinuance of benefits;

When an individual or household requests discontinuance; or

When a county-initiated action results in decreased benefits.

(§63-508.14)

#### 281-1 REVISED 8/04

Under MR/RB, the applications of households which were certified for FS Program participation in one county or state and which move to another county or this state and apply for benefits without at least a one-month break in certification, shall be treated as initial applications, except they shall continue to be retrospectively budgeted. Households which have requested and are entitled to expedited service shall have their benefits available in accordance with §63-301.531. Households which were subject to retrospective budgeting in the previous county or state shall continue to be retrospectively budgeted, unless the household is now excluded from retrospective budgeting because it is a migrant farmworker household, or all household members are elderly or disabled and have no earned income, or all members are homeless individuals or live on Indian reservations. (§63-503.71 renumbered to §63-503.911 and became inoperative with the implementation of QR/PB in the county.)

#### 281-1A REVISED 11/05

Under QR/PB, the applications of change reporting households which were certified for FS Program participation in one county and which move to another county and apply for benefits shall be treated as initial applications, Households which have requested and are entitled to expedited service shall have their benefits available in accordance with §63-301.531(b). (§63-503.91(QR)) effective August 5, 2005)

For households that are subject to QR/PB and move out of state, benefits shall be terminated mid-quarter. (§63-503.911(a) effective July 1, 2004)

For QR/PB households that move out of county, the county shall continue to follow existing rules which require the recipient to be discontinued in the initial county and require the recipient to reapply in the new county except when the case is a CalWORKs

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case involving an inter-county transfer. In the case of a CalWORKs ICT, the initial county will continue to provide benefits until the end of the month in which the CalWORKs case transferred.

(§63-503.911(b) effective July 1, 2004)

#### 281-2 REVISED 8/04

Under MR/RB, except in beginning months, a household's FS entitlement is based on retrospective budgeting which means that income from a given month is used two months later in computing the entitlement. (§§63-503.23 and 63-102(r)(11) prior to the implementation of QR/PB in the county)

#### 281-3 REVISED 8/04

The following households are excluded from monthly reporting and retrospective budgeting prior to QR/PB and from quarterly reporting with the implementation of QR/PB in the county:

- .211 "Migrant farmworker" households (§63-102(m))
- .212 "Seasonal farmworker" households (§63-102(s))
- .213 Households with no earned income, and in which all adult members are "elderly or disabled" (§63-102(e))
- .214 Households in which all members are "homeless" (§63-102(h)(1))
- .215 Households residing on Indian reservations.

(§63-505.21)

#### 281-4

All AFDC (now CalWORKs), GA/GR, RCA and ECA payments for the issuance month shall be anticipated with reasonable certainty in computing the FS entitlement. Such grants are prospectively rather than retrospectively budgeted. (§63-503.232(c)(5))

#### 281-7 REVISED 8/04

Welfare and Institutions Code §§11452 and 11453 provide for an increase in the AFDC Minimum Basic Standard of Adequate Care (MBSAC). The Cost-of-Living Adjustment (COLA) increased the MBSAC by 2.6% effective July 1, 1997. (Note that as of January 1, 1998 there is no longer an AFDC program, nor do the statutes provide for an automatic COLA.)

For monthly reporting households subject to retrospective budgeting, if the county sends a COLA supplemental payment in the month of July for that month, but did not have time to prospectively budget the supplemental payment, the county shall retrospectively budget it in September. (§63-503.232(c)(5)(A) prior to the implementation of QR/PB in the county)

If the July supplement is sent after July 31 (e.g., in August), it is considered a nonrecurring lump sum payment for FS purposes and is counted as a resource in the

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month it is sent. (§63-502.2(j)) This provision applies to both retrospectively and prospectively budgeted households. (All-County Letter No. 97-32, May 6, 1997)

#### 281-8

"Prospective eligibility" means the determination of a household's eligibility for an issuance month based on an estimate of a household's income, circumstances and composition which will exist in that issuance month. (§63-102(p)(11))

#### 281-11

Under MR/RB, "Retrospective budgeting" is defined as the computation of a household's FS allotment for an issuance month based on actual income and circumstances which existed in the budget month. (§63-102(r)(11), as renumbered effective August 10, 2001)

#### 281-11A

"Budget month" in a retrospective budgeting system means the month from which income and other circumstances (except household composition) of the household are used to calculate the household's allotment for the corresponding issuance month. (§63-102(b)(2))

#### 281-11B REVISED 8/04

"Issuance month" in a monthly reporting and retrospective budgeting system means the month for which an FS allotment is issued. In prospective budgeting, the budget month and issuance month are the same. In retrospective budgeting, the issuance month is the second month after the budget month. (§63-102(i)(9), as renumbered effective March 1, 2002 and renumbered to §63-102(i)(10) effective July 1, 2004. This section is inoperative when QR/PB becomes operative in a county)

"Issuance month" in a QR/PB system means any month during a quarter for which a food stamp allotment is issued. (§63-102(i)(10))

#### 281-12

Federal regulations provide that income deductions which are billed in, or averaged from, the budget month are used in determining the benefit level in the issuance month. (7 Code of Federal Regulations (CFR) §273.21(j)(1)(vii)(C))

#### 281-13 REVISED 8/04

Under MR/RB, for purposes of determining the household's eligibility and level of benefits during the beginning months, the county shall take into account the actual income already received by the household during the month of application and any anticipated income the county and the household are reasonably certain will be received during the remaining beginning months. (§63-503.212(a) prior to the implementation of QR/PB in the county)

#### 281-14

"Prospective budgeting" means the computation of a household's FS allotment for an issuance month based on an estimate of income and circumstances which will exist in that month. (§63-102(p)(10))

#### 281-15 REVISED 8/04

Under MR/RB, for changes that could not be or were not anticipated, by the household

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or the county which result in a one-month period of ineligibility, the county shall suspend the household for the issuance month corresponding to the budget month in which the change occurred. (§63-504.372 prior to the implementation of QR/PB in the county)

#### 282-1 REVISED 8/04

Generally, discontinued income is defined as any income that a household received in a budget month from a source that no longer provides income to the household. (§63-503.232(d) prior to the implementation of QR/PB in the county)

Discontinued income which was included in the household's prospective budget shall be disregarded when the beginning month becomes the budget month. (§63-503.232(d)(1) prior to the implementation of QR/PB in the county)

#### 282-2A REVISED 8/04

After the beginning months, households which receive AFDC (now CalWORKs), GA/GR, RCA or ECA payments in the issuance month and have income in the corresponding budget month shall have this income disregarded if: (1) the income has been discontinued; (2) the household reported the termination of the income; (3) the county has sufficient time to process the change and affect the allotment in the issuance month corresponding to the budget month in which the income stopped; and (4) the AFDC (now CalWORKs), GA/GR, RCA or ECA payments are increased as a result of the termination of the income. (§63-503.232(d)(2), prior to the implementation of QR/PB in the county)

#### 282-3

Federal regulations provide that when the FS household receives a Public Assistance (PA) grant, the state agency shall disregard income received from a terminated source which results in an increase in the PA grant, provided the household has reported the termination of the income either in the monthly report for the budget month or in some other manner which the state agency has determined gives the agency sufficient time to process the change and affect the allotment in the issuance month. (7 Code of Federal Regulations §273.21(j)(1)(vii)(B)(2))

#### 283-1 REVISED 8/04

A GA/The claim is granted. payment, received in the current month covering a period which begins in the current month and ends in the next month, is counted as income in the current month. (§63-503.232(c)(3) prior to the implementation of QR/PB in the county)

#### 284-1 REVISED 8/04

Under MR/RB, for changes which result in an increase in the household's benefits due to the addition of a new household member, the county shall make the change effective the first of the month following the month in which the change is reported. To complete this determination, the county shall have the option of requiring the household to complete the CA 8 or to contact the household to obtain the necessary information for the new member and update the last application. The county shall prospectively budget the new member's income and specific deductions in combination with the existing household's retrospectively budgeted income and deductions during the first two months the new member is added to the household. (§63-504.353 prior to the implementation of QR/PB in the county)

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#### 284-2 REVISED 8/04

Under MR/RB, if the reported change results in an increase or decrease in a household's benefits due to the addition of a new household member, the county shall make a determination of the new household member's eligibility within 30 days of the date the change was reported. (§63-504.353 prior to the implementation of QR/PB in the county)

#### 284-3 ADDED 2/04

Increases in benefits due to decreased income are effective the first of the month in which the change is reported. Increases due to the addition of a new household member are effective the first of the month following the report of the change. (All-County Letter No. 03-18, April 29, 2003, pp.42)

#### 284-3A ADDED 2/04

For both CalWORKs and food stamps, if the person moving into the home has income that once considered would result in the assistance unit/household being financially ineligible for aid, the county shall not take any action to change the assistance unit/household's benefits in the current quarter. The new person would not be entitled to receive Medi-Cal. (All-County Letter No. 03-18, April 29, 2003, pp.54-55)

#### 284-3B ADDED 8/04

Recipients may voluntarily report changes in household composition at any time during the quarter. If the change results in increased benefits, action shall be taken to add the person the first of the month following the month in which the change was reported, after all verification has been provided. If the addition of a new person does not result in increased benefits, no action shall be taken to change the household's benefits until the following quarter. (§63-509(f))

#### 284-3C ADDED 8/04

In any circumstance where a new household member has income, only that member's income is averaged over the remaining months of the quarter. The new household member's income is averaged and then added to the existing household's averaged income to determine if benefits are to be increased or would result in a decrease mid-quarter. (§63-509(f)(2))

#### 284-3D REVISED 11/05

If the addition of a new person in the household would result in a decrease in benefits or ineligibility of the household, the county shall take no action mid-quarter. The county shall issue a notice of action advising the household that the voluntary report did not increase household benefits and that the household must report the new household member on the next QR 7.

Only voluntarily reported income exceeding 130% of the FPL of a NAFS household excluding the mid-quarter report of a new household member and his/her income shall render the household ineligible.

(§§63-509(f)(3) and(4))

#### 285-1 REVISED 8/04

Under MR/RB, the income and specific deductions of a member leaving the FS household shall be disregarded when determining the household's eligibility and benefit

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level for the month following the month in which the change was reported. The remaining household members' benefit level shall continue to be retrospectively budgeted. (§63-504.356 prior to the implementation of QR/PB in the county)

#### 285-2 REVISED 8/04

Under MR/RB, if an FS household reports a change outside of the CA 7 (now CW 7 or SAWS 7), the county shall evaluate the effect of the change on the household's eligibility and benefit level. (§63-504.357 prior to the implementation of QR/PB in the county)

Under MR/RB, except for the addition of a household member, if the change affects the benefit level, the county shall note the information in the case file, reflect the change in the corresponding issuance month, and notify the household. (§63-504.357(b) prior to the implementation of QR/PB in the county)

#### 285-3 ADDED 2/04

Increases in benefits due to decreased income are effective the first of the month in which the change is reported. Increases due to the addition of a new household member are effective the first of the month following the report of the change. (All-County Letter No. 03-18, April 29, 2003, pp.42)

#### 285-4 REVISED 11/05

Under QR/PB, a recipient is required to report the following changes to the county within 10 calendar days of the date the change becomes known to the household:

For PAFS and NAFS households, address changes and accompanying shelter cost changes.

For NAFS households, any reduction in the number of hours worked to less than 20 per week or 80 per month for ABAWDs. Persons who are satisfying the ABAWD work requirement through a combination of education/training and employment of less than 20 hours per week are not subject to the mid-quarter requirement when hours of employment are reduced.

The household may report the change to the county verbally, in writing or in person.

(§63-509(b)(1)(A))

#### 285-5 REVISED 11/05

Under QR/PB, when the food stamp household also receives CalWORKs, the household must also report mid-quarter changes in fleeing felon/disqualifying drug felon/parole or probation status, and income in excess of the IRT. (§63-509(b)(1)(B))

The county must delete the individual from the PAFS household when that person's fleeing felon/disqualifying drug felon/parole or probation violation was reported at the end of the month after 10-day notice can be provided. (§63-509(c)(1))

If the county discontinues CalWORKs as a result of the CalWORKs AU report of income in excess of the IRT, the county must determine if the household's food stamp benefits would increase or decrease. Households whose CalWORKs benefits are discontinued

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shall be determined eligible for Transitional Food Stamps (TFS). (§63-509(c)(4))

#### 285-6 REVISED 11/05

Under QR/PB, recipients may report changes in income and circumstances any time during the quarter either in writing, verbally or in person. The county shall act only on those voluntary reports that result in an increase in benefits except when a non-assistance household voluntarily reports income in excess of IRT. Action to increase benefits shall be effective in the month in which the change in income actually occurs or is reported, whichever is later, and after all verification has been received.

If the change occurred prior to the date of the report, the county must increase benefits based on the date of the report after verification is received. If the change occurs in future months, the increase in benefits is based on the date the change is expected to occur after verification is received.

Verification shall be requested immediately when the recipient reports a decrease in income or a new household member is reported in the household, or for other changes that would require verification when benefits are increased. Action to increase benefits shall not take place until verification is received. The recipient shall be allowed 10 days to provide the requested verification.

(§63-509(d))

#### 285-6A REVISED 11/05

After a recipient voluntarily reports a change in circumstances, the county must issue the recipient a "No Change Notice of Action" when benefits cannot be increased. The "No Change NOA" must be sent within 30 days of the reported change. The notice of action must remind the recipient to re-report the change on the next QR 7. (§63-509(d)(7))

#### 285-6B ADDED 8/04

To determine if the voluntarily reported change results in increased benefits mid-quarter, the county must recalculate benefits for the current and remaining months of the quarter using the new income that the household reasonably expects to receive. If the anticipated income is different in the remaining months and the recipient knows with reasonable certainty what the amount would be for each month, the new income shall be averaged for the current and remaining months of the quarter. (§63-509(e)(1))

#### 285-6C ADDED 8/04

Household changes that occur in the QR Submit Month and are reported on the QR 7 will be considered voluntary reports. (§63-509(e)(2) Handbook)

#### 285-6D ADDED 11/05

As a result of reported or anticipated changes in the QR household, the allotment for the month of application may differ from the allotment in subsequent months. The household's allotment may vary within the quarter to reflect changes reported during the QR Payment Quarter. Averaging techniques are used to determine income in a quarter. The county shall establish the household's certification period in accordance with §63-504.1 (§63-503.151(QR))

#### 285-6E ADDED 11/05

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If a non-assistance food stamp (NAFS) household voluntarily reports income in excess of 130% of the federal Poverty Level (FPL), the household shall be discontinued mid-quarter. Only voluntarily reported income exceeding 130% of the FPL for the NAFS excluding a mid-quarter report of a new household member and his/her income shall render the NAFS household ineligible. (§63-509(d)(7)(C))

#### 286-1 REVISED 8/04

The following households (HHs) shall be excluded from monthly reporting and retrospective budgeting prior to QR/PB and from quarterly reporting with the implementation of QR/PB in the county:

1. Migrant farmworker HHs, as defined in §63-102m., now (m).
2. Seasonal farmworker HHs, as defined in §63-102s., now (s).
3. HHs in which all adult members are elderly or disabled, as defined in §63-102e., now (e), and have no earned income.
4. HHs in which all members are homeless individuals, as defined in §63-102h.(1), now (h)(1).

(§63-505.21)

#### 286-2 REVISED 4/04

Change reporting households (HHs) are required to report only the following changes:

1. Changes in the sources of income, including starting or stopping a job or changing jobs, if the change is accompanied by a change in income. In addition, changes in the amount of earned monthly income of more than \$100 per month, since the last time the household's allotment was calculated. Such earned income households can be certified for no more than six months
2. Changes in unearned income in excess of \$50 monthly. Changes in public assistance or general assistance are not required to be reported.
3. Changes in HH composition.
4. Changes in residence and resulting shelter expense changes.
5. The acquisition of a licensed vehicle not fully excluded under §63-501.
6. Liquid resources, when they exceed the maximum resource standard.
7. A change in the amount of child support payments made to a non-HH member, and/or a change in the legal obligation to pay child support.
8. A reduction in work effort to less than 20 hours per week or averaged monthly 80 hours per month.

(§63-505.51 revised effective November 1, 2003)

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#### 286-3

In general, when a change reporting household (HH) reports a change which will increase its allotment, the county shall make the change no later than the first allotment issued 10 days after the date the change was reported to the county. (§63-504.422(a))

When the increased benefits are due to the addition of a new HH member who is not a member of another certified HH, or are due to a decrease of \$50 or more in the HH's gross monthly income, the county shall make the change effective not later than the month following the reported change. (§63-504.422(b))

#### 288-1 ADDED 12/04

The following households are excluded from monthly reporting and retrospective budgeting prior to QR/PB and from quarterly reporting with the implementation of QR/PB in the county:

- .211 "Migrant farmworker" households (§63-102(m))
- .212 "Seasonal farmworker" households (§63-102(s))
- .213 Households with no earned income, and in which all adult members are "elderly or disabled" (§63-102(e))
- .214 Households in which all members are "homeless" (§63-102(h)(1))
- .215 Households residing on Indian reservations.

(§63-505.21)

#### 288-2 ADDED 2/04

The county will use information on the QR 7 to determine continuing eligibility and future benefit amounts based on all eligibility factors. Based on information provided on the QR 7, the county will determine continuing eligibility as it relates to property, income deprivation (CalWORKs only), and household composition using prospective budgeting rules. (All-County Letter No. 03-18, April 29, 2003, p.16)

#### 288-2A ADDED 2/04

The QR/PB system uses anticipated income/prospective budgeting to determine a recipient's benefits. Prospective budgeting requires the county to use income that the recipient *reasonably anticipates* it will receive during the quarter. (All-County Letter No. 03-18, April 29, 2003, p.20)

#### 288-2B REVISED 11/05

Income is "reasonably anticipated" when the county determines it is reasonably certain that the recipient will receive a specified amount of income during any month of the QR Payment Quarter and applies to all earned and unearned income. Income is considered reasonably anticipated if the county determines that the income has or will be approved or authorized within the upcoming quarter, or the assistance unit/household is reasonably certain that the income will be received within the quarter; and the amount of the income is known.

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If the amount of income or when it will be received is uncertain, that portion of the income that cannot be reasonably anticipated will not be counted in determining eligibility or benefit levels.

If the household reports a decrease in income for the Submit Month, the county will treat it as a mid-quarter change and use the information of decreased income to anticipate income for the next QR Payment Quarter if the change continues into the next quarter.

(§63-509(a)(2))

288-2C REVISED 11/05

Income shall be considered reasonably anticipated if it is determined that:

- The income has been or will be approved or authorized within the upcoming quarter; and
- The household is otherwise reasonably certain that the income will be received within the quarter; and
- The amount of income is known.

Counties are required to determine what is reasonably anticipated income when:

A household first applies for benefits;

A household reports new income on the QR 7;

A household reports on the QR 7 that income is expected to change;

A household has income that changes; and

A household makes a mid-quarter report of an income change.

(§63-509(a)(2))

288-2D REVISED 8/04

If the household reports on the QR 7 that income from the QR Data Month will remain the same in the upcoming QR Payment Quarter or the county determines that income from the QR Data Month will remain the same in the upcoming QR Payment Quarter despite the household report that income will change, the county shall compute the food stamp allotment based on income reported for the QR Data Month. If income is received weekly it shall be converted to monthly by using a 4.33 conversion factor. If it is received bi-weekly, it shall be converted to monthly by using a 2.167 conversion factor. The conversion figures may only be used if income is received weekly or bi-weekly throughout the upcoming QR Payment Quarter. (§63-509(a)(5))

288-2E ADDED 11/05

Income reasonably anticipated during the certification period shall be counted as income only in the month it is expected to be received, unless the income is averaged. The county shall use exact monthly income if it can be reasonably anticipated. For change reporting households, whenever a full month's income is anticipated but is received on a

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weekly or biweekly basis, the county shall convert income to monthly income by multiplying by 4.33 or 2.167 as appropriate if the exact amount is not known.

For QR households, whenever a full month's income is anticipated but is received weekly or biweekly, and will remain the same throughout the QR Payment Quarter, the county shall convert income to monthly income by multiplying by 4.33 or 2.167.

(§63-503.242(b)(1)(QR))

288-2F ADDED 11/05

As a result of reported or anticipated changes in the QR household, the allotment for the month of application may differ from the allotment in subsequent months. The household's allotment may vary within the quarter to reflect changes reported during the QR Payment Quarter. Averaging techniques are used to determine income in a quarter. The county shall establish the household's certification period in accordance with §63-504.1 (§63-503.151(QR))

288-3 REVISED 11/05

Under QR/PB, except when specified, counties must average income that the assistance unit/household expects to receive over the QR Payment Quarter based on what the assistance unit/household reports on the QR 7 and use average monthly income to determine monthly benefits. Once the level and frequency of pay has been determined, the county must take the following income averaging steps to determine monthly average income:

Add reasonably anticipated gross income for each month of the quarter and divide by three. If the household receives the exact amount of income from month to month in the QR Payment Quarter, averaging is not necessary.

Apply all applicable allowances and deductions to the averaged income amounts to generate an averaged net non-exempt income (NNI).

Add the NNI of each income type together to determine average monthly NNI for the household.

For households that receive CalWORKs, the actual CalWORKs grant for each month must be used. The actual anticipated CalWORKs grant shall not be averaged over the QR Payment Quarter.

For both CalWORKs and food stamps, averaged income is rounded down to the next lower dollar.

(All-County Letter No. 03-18, April 29, 2003, pp.24-25; All-County Information Notice No. I-54-03, question and answer 9; §63-509(a)(4))

288-3A REVISED 2/05

For purposes of calculating food stamp benefits, the county shall not average the CalWORKs grant. The actual CalWORKs grant must be used. (§63-509(a)(4)(A)5.)

288-4 ADDED 8/04

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Income and household information from the QR Data Month and anticipated changes in income and expenses must be considered when determining eligibility and benefit levels for a QR Payment Quarter. Documentation is required in the case folder which explains how income was projected in determining benefit calculations. Case narrative entries must include, but are not limited to, income the recipient states is expected in future months, whether anticipated income will be different than income reported for the QR Data Month, documentation for not accepting the recipient's estimate if information is questionable, and other information used to determine what income the county will use to calculate benefits (e.g., employer's statements, case history, etc.) (63-509(a)(1))

#### 288-4A REVISED 11/05

When the household has or reports income that will change during the next QR Payment Quarter, the determination of whether income is reasonably anticipated will require additional steps and thorough case documentation. First use the household's anticipation of income if the household is able to provide it and if there is no conflicting information. If the information is questionable or the household is unable to anticipate future income, the household may be contacted to obtain additional information about anticipated pay and/or hours of work. If the household cannot be contacted, or if the household and/or county are unable to anticipate future income levels, the recipient or the county with the recipient's written permission, may contact the recipient's employer regarding anticipated work hours or pay.

If the county is still unable to reasonably anticipate future income, the county may also look at the recipient's prior work patterns to assist in determining the number of future work hours, if the recipient states that he/she had prior work hours/wages that are similar to the anticipated work pattern.. This may include asking the recipient to provide available prior work information and/or reviewing information in the case file. The county is not limited to reviewing income from the previous quarter only, but may use income information from the past 12 months to help establish patterns in income. However, if the household states that future income/work hours will differ from prior work patterns, the county shall not use the prior work patterns to determine income for the upcoming QR Payment Quarter. (§63-509(a)(6))

#### 288-5 ADDED 12/04

"Issuance month" in a monthly reporting and retrospective budgeting system means the month for which an FS allotment is issued. In prospective budgeting, the budget month and issuance month are the same. In retrospective budgeting, the issuance month is the second month after the budget month. (§63-102(i)(9), as renumbered effective March 1, 2002 and renumbered to §63-102(i)(10) effective July 1, 2004. This section is inoperative when QR/PB becomes operative in a county)

Issuance month" in a QR/PB system means any month during a quarter for which a food stamp allotment is issued. (§63-102(i)(10))

#### 288-6 ADDED 8/04

Counties shall ensure that households receive the QR 7 at the end of the QR Data Month and no later than the first day of the QR Submit Month. Information reported on the QR 7 shall be used to determine eligibility and to prospectively budget income to determine the benefit level for the upcoming QR Payment Quarter. (§63-508.31)

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#### 288-7 ADDED 2/04

The county shall recalculate the current quarter's CalWORKs and food stamp benefits when a recipient reports a decrease or discontinuance of income. In calculating such benefits, the county shall determine the month in which the decrease or loss of income was reported. The county shall add additional income the assistance unit/household reasonably anticipates for the current and remaining months of the quarter. The county shall then determine a new average monthly income for the current quarter by dividing the total income by the amount of months equal to the current and remaining months of the quarter.

The county shall do the above calculation for earned income, disability based unearned income and unearned income. In these calculations the county shall apply all applicable income disregards and/or food stamp allowances for each income type to the new average gross income amounts to generate average net non-exempt income (NNI) for each month.

The county shall then recalculate benefits for the quarter by subtracting the newly averaged NNI from the applicable Maximum Aid Payment for CalWORKs. To determine the food stamp allotment, the county shall refer to the coupon allotment issuance chart using the net income for appropriate household size.

(All-County Letter No. 03-18, April 29, 2003, pp.43-44)

#### 288-8 ADDED 11/05

County initiated mid-quarter actions means changes in eligibility status based on case information that the county is required to act on mid-quarter such as sanctions, financial penalties, approval of benefits in another household, the end of an inter-county transfer, or cost of living changes. (§63-102(c)(13))

#### 288-8A REVISED 11/05

In addition to making mid-quarter adjustments to benefits as a result of mandatory and voluntary recipient reports mid-quarter, action shall also be taken on certain changes in eligibility status at the end of the month in which timely and adequate notice can be provided to the household. The changes that are considered county-initiated and can occur any time during the quarter are:

Sanctions or financial penalties;

Failure of the household to comply with a Quality Control Review;

Benefits are applied for and approved for a household member in another household or for the household;

Discontinuances due to the termination of a CalWORKs inter-county transfer;

Status changes in CFAP;

COLAs in food stamps, CalWORKs or Social Security;

Adjustments due to recipient error on the QR 7 or mid-quarter reports of

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information or lack of action by the county on the QR 7 or mid-quarter report;

Three-month ABAWD time limit ends or ABAWD regains eligibility and subsequently stops meeting work requirements;

Discontinuance due to ineligibility determination when recertification falls outside the Submit Month.

(§63-509(h))

#### 288-8B ADDED 2/05

Initially as stated in All County Letter 03-18, county actions on non-assistance food stamp cases were only required on address changes and accompanying shelter cost changes. A Food and Nutrition Service (FNS) waiver amendment now adds an additional mid-quarter county-initiated action. Counties are now required to discontinue a non-assistance food stamp household mid-quarter when income above the gross limit is voluntarily reported by the household. (All County Letter 04-56, December 23, 2004)

#### 288-9 ADDED 2/05

Multiple changes during a QR Payment Quarter shall be acted upon in accordance with QR/PB rules for mandatory and voluntary recipient reports, and on county-initiated and third party reports. Each change shall be acted upon separately, using the rule that is unique to that type of change. Circumstances shall not be combined to effect a change in benefits.

A household may voluntarily report a change that does not result in an increase to benefits, and later in the quarter report another change that was required to be reported, which would result in a decrease to benefits. A change shall not be made on the voluntary report; however benefits shall be decreased later based on the mid-quarter report. The decrease in benefits shall be based solely on the circumstances resulting from the mandatory report.

(§63-509(l))

#### 288-9A ADDED 11/05

Where two or more changes are reported to the county at the same time, the county must evaluate each change separately and in the order they occurred, keeping in mind the timing of when benefits may be increased based on decreased income and new household members being added to the household unit. This evaluation applies to mandatory as well as voluntary reports of changes. (§63-509(f)(4))